

HOUSE BILL No. 1007

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4-34; IC 4-12; IC 36-7-32.

Synopsis: Technology centers and parks. Establishes the technology development grant fund and program. Provides appropriations for the technology development grant program from securitized payments received under the tobacco master settlement agreement. Transfers the Indiana economic development partnership fund and technology center program from the budget agency to the development finance authority. Removes limitations on the establishment of certified technology parks.

Effective: July 1, 2003.

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January 15, 2003, read first time and referred to Committee on Technology, Research and Development.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1007

A BILL FOR AN ACT to amend the Indiana Code concerning economic development and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-4-34 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2003]:

4 **Chapter 34. Energize Indiana Technology Grant Fund**

5 **Sec. 1. As used in this chapter, "authority" refers to an**
6 **authority, separate from the state, established to securitize**
7 **payments received under the master settlement agreement (as**
8 **defined in IC 24-3-3-6).**

9 **Sec. 2. As used by this chapter, "fund" refers to the technology**
10 **development grant fund established by IC 4-12-11-8.**

11 **Sec. 3. The authority shall annually distribute four million**
12 **dollars (\$4,000,000) to the treasurer of state for deposit in the fund**
13 **on the schedule approved by the budget agency.**

14 **Sec. 4. If the authority has insufficient money to make the total**
15 **amount of transfers required by law for any fiscal year, the**
16 **authority shall make transfers for that fiscal year as directed by**
17 **the budget agency after review by the budget committee.**



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1 **Sec. 5. Four million dollars (\$4,000,000) is annually**
 2 **appropriated from money distributed under section 3 of this**
 3 **chapter to the fund, in addition to any other amount appropriated,**
 4 **for use by the department of commerce for the purposes of**
 5 **IC 4-12-11.**

6 **Sec. 6. This chapter expires July 1, 2013.**

7 SECTION 2. IC 4-12-10-0.5 IS ADDED TO THE INDIANA CODE
 8 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 9 1, 2003]: **Sec. 0.5. As used in this chapter, "authority" refers to the**
 10 **Indiana development finance authority established by IC 4-4-11-4.**

11 SECTION 3. IC 4-12-10-3, AS ADDED BY P.L.26-2001,
 12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2003]: Sec. 3. (a) The Indiana economic development
 14 partnership fund is established to provide grants for economic
 15 development initiatives that support the following:

16 (1) The establishment of regional technology centers for the
 17 creation of high technology companies and for the support of
 18 workforce development.

19 (2) The providing of leadership and technical support necessary
 20 for the centers' start-up operations and long term success.

21 (3) The expansion of the Purdue Technical Assistance Program
 22 in ten (10) geographic regions of Indiana.

23 (4) The creation of a rural/community economic development
 24 regional outreach program by Purdue University.

25 (5) The expansion of workforce development for high technology
 26 business development through the centers.

27 (b) The fund shall be administered by the ~~budget agency~~ **authority**.
 28 The fund consists of appropriations from the general assembly and gifts
 29 and grants to the fund.

30 (c) The ~~treasurer of state~~ **authority** shall invest the money in the
 31 fund not currently needed to meet the obligations of the fund in ~~the~~
 32 ~~same manner as other public funds may be invested.~~ **conformity with**
 33 **the investment policies established by the authority.**

34 (d) The money in the fund at the end of a state fiscal year does not
 35 revert to the state general fund but remains in the fund to be used
 36 exclusively for the purposes of this chapter.

37 SECTION 4. IC 4-12-10-4, AS ADDED BY P.L.26-2001,
 38 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2003]: Sec. 4. (a) The ~~budget agency~~ **authority**, after review
 40 by the budget committee, shall do the following:

41 (1) Review, prioritize, and approve or disapprove proposals for
 42 centers.

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- (2) Create detailed application procedures and selection criteria for center proposals. These criteria may include the following:
 - (A) Geographical proximity to and partnership agreement with an Indiana public or private university.
 - (B) Proposed local contributions to the center.
 - (C) Minimum standards and features for the physical facilities of a center, including telecommunications infrastructure.
 - (D) The minimum support services, both technical and financial, that must be provided by the centers.
 - (E) Guidelines for selecting entities that may participate in the center.
- (3) Develop performance measures and reporting requirements for the centers.
- (4) Monitor the effectiveness of each center and report its findings to the governor and the budget committee before October 1 of each even-numbered year.
- (5) Contract with Purdue University for any staff support necessary for the budget agency to carry out this chapter.
- (6) Approve a regional technology center only if the center agrees to do all of the following:
 - (A) Nurture the development and expansion of high technology ventures that have the potential to become high growth businesses.
 - (B) Increase high technology employment in Indiana.
 - (C) Stimulate the flow of new venture capital necessary to support the growth of high technology businesses in Indiana.
 - (D) Expand workforce education and training for highly skilled, high technology jobs.
 - (E) Affiliate with an Indiana public or private university and be located in close proximity to a university campus.
 - (F) Be a party to a written agreement among:
 - (i) the affiliated university;
 - (ii) the city or town in which the proposed center is located, or the county in which the proposed center is located if the center is not located in a city or town;
 - (iii) Purdue University, for technical and personnel training support; and
 - (iv) any other affiliated entities;
 that outlines the responsibilities of each party.
 - (G) Establish a debt free physical structure designed to accommodate research and technology ventures.
 - (H) Provide support services, including business planning,

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management recruitment, legal services, securing of seed capital marketing, and mentor identification.

(I) Establish a commitment of local resources that is at least equal to the money provided from the fund for the physical facilities of the center.

(b) The ~~budget agency~~ **authority** may not approve more than five (5) regional technology centers in any biennium.

SECTION 5. IC 4-12-10-6, AS ADDED BY P.L.26-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) If a center is approved by the ~~budget agency~~, **authority**, the ~~budget agency~~ **authority** shall allocate from available appropriations the money authorized to:

(1) subsidize construction or rehabilitation of the physical facilities; and

(2) cover operating costs, not to exceed two hundred fifty thousand dollars (\$250,000) each year, until the center is self-sustaining or has identified another source of operating money or the amount appropriated for this purpose is exhausted.

(b) Operating costs may not be supported by the fund for any center for more than four (4) years.

SECTION 6. IC 4-12-10-7, AS ADDED BY P.L.26-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. (a) As Indiana's land grant university, Purdue University has developed the expertise to provide leadership, assistance, technical support, and personnel training support for developing centers. This service shall be provided to each center during the start-up phases for the center, after which the local personnel shall provide the services to local companies, with minimal continued technical support from Purdue University.

(b) Purdue University shall do the following:

(1) Assist center personnel in establishing key components and methodology to identify, prepare, develop, and incubate technology based companies.

(2) Assist local communities in planning, feasibility studies, and proposal development before the submission of a proposal to the ~~budget agency~~ **authority**.

SECTION 7. IC 4-12-11 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 11. Technology Development Grant Fund

Sec. 1. As used in this chapter, "department" refers to the department of commerce established by IC 4-4-3-2.

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1 **Sec. 2.** As used in this chapter, "fund" refers to the technology
2 development grant fund established by section 8 of this chapter.

3 **Sec. 3.** As used in this chapter, "political subdivision" has the
4 meaning set forth in IC 36-1-2-13.

5 **Sec. 4.** As used in this chapter, "redevelopment commission"
6 refers to a redevelopment commission established under
7 IC 36-7-14-3 or a commission (as defined in IC 36-7-15.1-3) that
8 establishes a technology park.

9 **Sec. 5.** As used in this chapter, "technology park" refers to a
10 certified technology park established under IC 36-7-32.

11 **Sec. 6.** As used in this chapter, "targeted employment" means
12 employment in any of the following business activities:

13 (1) Advanced manufacturing, including the following:

14 (A) Automotive and electronics.

15 (B) Aerospace technology.

16 (C) Robotics.

17 (D) Engineering design technology.

18 (2) Life sciences, including the following:

19 (A) Orthopedics or medical devices.

20 (B) Biomedical research or development.

21 (C) Pharmaceutical manufacturing.

22 (D) Agribusiness.

23 (E) Nanotechnology or molecular manufacturing.

24 (3) Information technology, including the following:

25 (A) Informatics.

26 (B) Certified network administration.

27 (C) Software development.

28 (D) Fiber optics.

29 (4) Twenty-first century logistics, including the following:

30 (A) High technology distribution.

31 (B) Efficient and effective flow and storage of goods,
32 services, or information.

33 (C) Intermodal ports.

34 **Sec. 7.** As used in this chapter, "technology product" means a
35 product that involves high technology activity or otherwise
36 involves targeted employment.

37 **Sec. 8.** The technology development grant fund is established to
38 provide the necessary money for grants to redevelopment
39 commissions under this chapter and the administration of this
40 program.

41 **Sec. 9.** The fund shall be administered by the department.

42 **Sec. 10.** The expenses of administering the fund shall be paid

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1 from money in the fund. Interest that accrues from these
2 investments shall be deposited in the fund.

3 Sec. 11. The treasurer of state shall invest the money in the fund
4 not currently needed to meet the obligations of the fund in the same
5 manner as other public funds are invested.

6 Sec. 12. Money in the fund at the end of a state fiscal year does
7 not revert to the state general fund.

8 Sec. 13. The department shall establish a grant application
9 procedure for redevelopment commissions.

10 Sec. 14. To qualify for a grant under this chapter, a
11 redevelopment commission must:

12 (1) submit an application in the form prescribed by the
13 department;

14 (2) demonstrate that:

15 (A) the redevelopment commission has established a
16 technology park; and

17 (B) the grant being applied for under this chapter will
18 assist the redevelopment commission to accomplish the
19 goals of the technology park under IC 36-7-32; and

20 (3) provide the other information required by the department.

21 Sec. 15. The department shall provide grants on a competitive
22 basis from the fund to redevelopment commissions that apply for
23 a grant under this chapter. The department may select and fund
24 part or all of an application request that:

25 (1) is submitted during an application period; or

26 (2) was submitted in a prior application period but not fully
27 funded in that application period.

28 Sec. 16. The total of all grants provided under this chapter for
29 a technology park may not exceed the following:

30 (1) Three million dollars (\$3,000,000) for capital expenditures.

31 (2) One million dollars (\$1,000,000) for operating
32 expenditures, with not more than two hundred fifty thousand
33 dollars (\$250,000) being given in any one (1) fiscal year.

34 Sec. 17. A capital expenditure grant under this chapter may
35 require that up to fifty percent (50%) of the total capital costs of
36 the project being funded by the grant be matched from other
37 sources.

38 Sec. 18. The department may, under rules established by the
39 department of local government finance and the procedures
40 established by the department, award grants from the fund to one
41 (1) or more political subdivisions to reimburse the political
42 subdivisions for ad valorem property taxes allocated to an

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1 **allocation area as a result of a resolution adopted under**
 2 **IC 36-7-32-15.**

3 SECTION 8. IC 36-7-32-11, AS ADDED BY P.L.192-2002(ss),
 4 SECTION 187, IS AMENDED TO READ AS FOLLOWS
 5 [EFFECTIVE JULY 1, 2003]: Sec. 11.(a) After receipt of an
 6 application under section 10 of this chapter, and subject to subsection
 7 (b), the department of commerce may designate a certified technology
 8 park if the department ~~determines that the application demonstrates a~~
 9 ~~firm commitment from at least one (1) business engaged in a high~~
 10 ~~technology activity creating a significant number of jobs and satisfies~~
 11 one (1) or more of the following additional criteria:

12 (1) A demonstration of significant support from an institution of
 13 higher education or a private research based institute located
 14 within, or in the vicinity of, the proposed certified technology
 15 park, as evidenced by the following criteria:

16 (A) Grants of preferences for access to and commercialization
 17 of intellectual property.

18 (B) Access to laboratory and other facilities owned by or under
 19 the control of the institution of higher education or private
 20 research based institute.

21 (C) Donations of services.

22 (D) Access to telecommunications facilities and other
 23 infrastructure.

24 (E) Financial commitments.

25 (F) Access to faculty, staff, and students.

26 (G) Opportunities for adjunct faculty and other types of staff
 27 arrangements or affiliations.

28 (H) Other criteria considered appropriate by the department.

29 (2) A demonstration of a significant commitment by the
 30 institution of higher education or private research based institute
 31 to the commercialization of research produced at the certified
 32 technology park, as evidenced by the intellectual property and, if
 33 applicable, tenure policies that reward faculty and staff for
 34 commercialization and collaboration with private businesses.

35 (3) A demonstration that the proposed certified technology park
 36 will be developed to take advantage of the unique characteristics
 37 and specialties offered by the public and private resources
 38 available in the area in which the proposed certified technology
 39 park will be located.

40 (4) The existence of or proposed development of a business
 41 incubator within the proposed certified technology park that
 42 exhibits the following types of resources and organization:

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(A) Significant financial and other types of support from the public or private resources in the area in which the proposed certified technology park will be located.

(B) A business plan exhibiting the economic utilization and availability of resources and a likelihood of successful development of technologies and research into viable business enterprises.

(C) A commitment to the employment of a qualified full-time manager to supervise the development and operation of the business incubator.

(5) The existence of a business plan for the proposed certified technology park that identifies its objectives in a clearly focused and measurable fashion and that addresses the following matters:

(A) A commitment to new business formation.

(B) The clustering of businesses, technology, and research.

(C) The opportunity for and costs of development of properties under common ownership or control.

(D) The availability of and method proposed for development of infrastructure and other improvements, including telecommunications technology, necessary for the development of the proposed certified technology park.

(E) Assumptions of costs and revenues related to the development of the proposed certified technology park.

(6) A demonstrable and satisfactory assurance that the proposed certified technology park can be developed to principally contain property that is primarily used for, or will be primarily used for, a high technology activity or a business incubator.

(b) The department of commerce may not approve an application that would result in a substantial reduction or cessation of operations in another location in Indiana in order to relocate them within the certified technology park.

SECTION 9. IC 36-7-32-22, AS ADDED BY P.L.192-2002(ss), SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 22. (a) The treasurer of state shall establish an incremental tax financing fund for each certified technology park designated under this chapter. The fund shall be administered by the treasurer of state. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) Subject to subsection (c), the following amounts shall be deposited during each state fiscal year in the incremental tax financing fund established for a certified technology park under subsection (a):

(1) The aggregate amount of state gross retail and use taxes that

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are remitted under IC 6-2.5 by businesses operating in the certified technology park, until the amount of state gross retail and use taxes deposited equals the gross retail incremental amount for the certified technology park.

(2) The aggregate amount of the following taxes paid by employees employed in the certified technology park with respect to wages earned for work in the certified technology park, until the amount deposited equals the income tax incremental amount:

(A) The adjusted gross income tax.

(B) The county adjusted gross income tax.

(C) The county option income tax.

(D) The county economic development income tax.

~~(e) Not more than a total of five million dollars (\$5,000,000) may be deposited in a particular incremental tax financing fund for a certified technology park over the life of the certified technology park.~~

~~(d)~~ (c) On or before the twentieth day of each month, all amounts held in the incremental tax financing fund established for a certified technology park shall be distributed to the redevelopment commission for deposit in the certified technology park fund established under section 23 of this chapter.

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